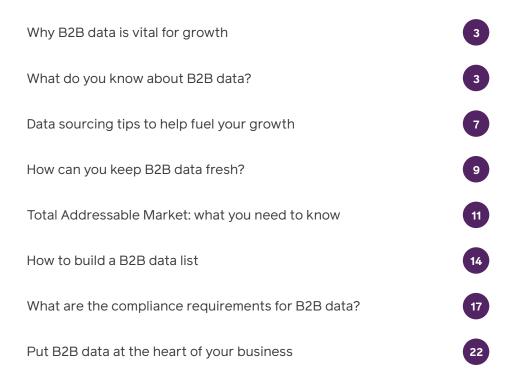


# **B2B DATA:** The fuel for your growth



# Contents



# Why B2B data is vital for growth

New business is the lifeblood of any organisation. Without new customers, a business can't grow. Gaining customers relies on a smooth-running lead generation process – and especially so in the B2B sector, where competition is fierce.

The success of that lead generation process is dependant on several factors, but the most important one is data. B2B data is a vital component for fuelling business growth. A sales team is only as good as the data it uses; if, for example, if the contact data that sales reps are working with is inaccurate or incomplete, then prospecting becomes much harder and inefficient. Think of it this way: how can a salesperson sell to a prospect if they don't have their correct email address or phone number?

Data is also fundamental to analytics and forecasting. It provides the bedrock for KPIs and benchmarks for individuals and teams; it allows companies to measure their output and results. The insights gained from studying B2B data can be invaluable. Business leaders can quickly see if there are any failings in their processes and make adjustments. The most successful B2B companies are those who keep on top of their data and use it in their day-to-day decision-making.

Those are the basics of B2B data, but there is a great deal more to learn. In this guide, we're going to tell you everything you need to know about B2B data: what it is, where it comes from, what you can do with it and how you can keep it as fresh as possible. Plus, we'll give you an overview of all the latest global compliance requirements for B2B data. If you're a novice in the world of business data, by the end of this guide, you'll be an expert!

# What do you know about B2B data?

In 2018, the database management company **Exasol** commissioned a report on the importance of data to UK businesses. Their report, "Making the Enterprise Data Centric", discovered **four very significant things**:

- **80%** of the organisations surveyed confirmed that they were unable to function without their data sources.
- **25%** of the organisations surveyed were totally reliant on data in their day-to-day operations and decision-making.
- **79%** believed that they had become more reliant on data over the last five years.
- 32% of UK business people thought that their leaders didn't understand the role and importance of data.

Exasol's report reinforces what we've already identified: that data is a vital ingredient for driving profitability and success.

Yet, as the fourth statistic shows, there's still an issue regarding education and awareness about data. B2B companies know that data is important and that they should be using it, but they often don't know how to use it or what best practice is.

At Cognism, we work with B2B data every day. It's our business. The data we supply to our customers helps them to solve their lead generation challenges, find best-fit clients and grow

their revenue. We asked our data science team to put together a B2B data cheat sheet. It's a simple introduction to B2B data and how it can fuel your business growth. Over its 5 sections, you'll learn all the important facts about B2B data.

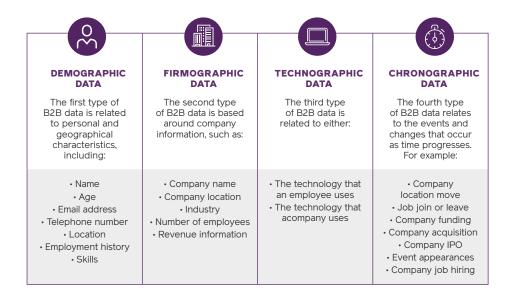
## What is B2B data?

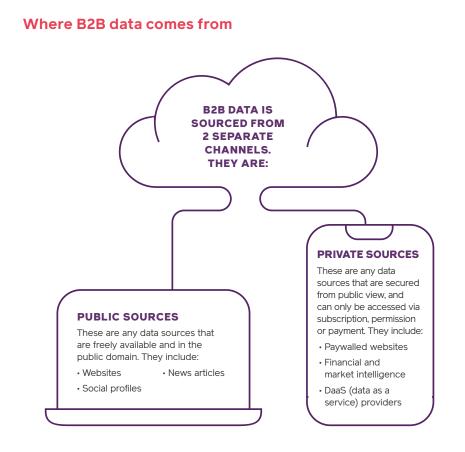
ACCORDING TO THE CAMBRIDGE ENGLISH DICTIONARY, DATA IS DEFINED AS: "Information, especially facts or numbers, collected to be examined and considered and used to help decision-making, or information in an electronic form that can be stored and used by a computer."

The second half of this definition is the most applicable for B2B companies. When we talk about B2B data, what we mean is information that is machine-readable, as opposed to human-readable. Machine-readable data is information that computer programs can process.

# The four types of B2B data

There are 4 distinct types of B2B data. They are:

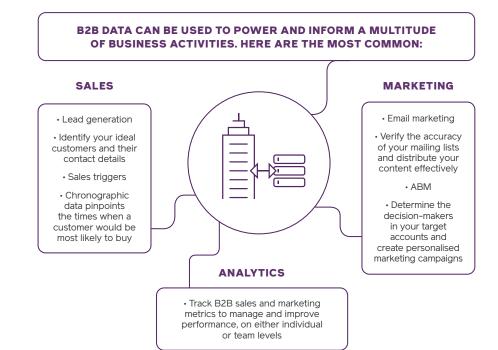




# What are the key B2B data points?

Ô	FIRST NAME	)	LAST NAME	Ô
	JOB TITLE		COMPANY NAME	
BUSI	NESS TELEPHONE NUMBER	<b>:</b>	<b>BUSINESS EMAIL ADDRESS</b>	

## What can you do with B2B data?



# Data sourcing tips to help fuel your growth

There's no shortage of companies out there providing sales and marketing data to B2B businesses. However, how do you know which one is the best? These vendors will use different methods to compile their data, but the quality of their data will vary greatly.

You need the highest-quality B2B data to generate qualified leads for your salespeople to turn into customers. For successful lead generation and revenue growth, data quality is an essential thing to look out for. It all stems from data sourcing - where the B2B data comes from originally. Read on for more tips from Cognism's data science division.

# The three categories of B2B data sourcing

Data sourcing refers to the methods that vendors use to compile their data. Broadly speaking, there are three categories of sourcing for B2B data. These are:

Compiled data



Crowd-sourced data

Self-reported data

Let's look at each of these in turn.

COMPILED DATA		
Definition	Compiled data is data that has been gathered from a variety of sources over time, then merged and packaged up to sell to B2B firms.	
Data accuracy implications	<ul> <li>On average, the profiles will be 18 months old when the vendor compiles them.</li> </ul>	
	<ul> <li>When the data is sold on, it will be even more out of date and inaccurate.</li> </ul>	
	<ul> <li>It can take 12-24 months between the data being correct and it reaching your team's CRM.</li> </ul>	
	<ul> <li>In that time, people will change jobs, businesses can be acquired or even cease trading.</li> </ul>	

CROWD-SOURCED DATA		
Definition	Crowd-sourced data is data collected from a group of people. Often, contributors are offered incentives to input their data into the wider data pool.	
Data accuracy implications	<ul> <li>The data is only as reliable as the source that inputs it.</li> <li>Data points drawn from separate sources often conflict with each other.</li> <li>Crowd-sourced data is usually out of date or full of unnecessary duplications.</li> </ul>	

SELF-REPORTED DATA		
Definition	Self-reported data is information that the subject has contributed themselves. For example, a LinkedIn profile contains information that the subject has provided willingly.	
Data accuracy implications	<ul> <li>Self-reported data is more likely to be accurate and current.</li> <li>It's the most reliable method of data sourcing for sales and marketing data.</li> <li>Always check how regularly the data has been updated.</li> </ul>	

## The dangers of bad data

Using bad data when generating leads results in inefficient B2B sales and marketing campaigns. The older your data is, the less likely it is to be accurate. Every lead you contact where the person has changed roles or left the company wastes time for the salesperson.

Around a third of customer and prospect data goes out of date every year. Because they don't refresh their data often enough, most sales teams are using data that is up to 60% out of date. This creates significant problems for sales and marketing teams.

When scaling a B2B company, it's essential that you find new customers quickly; for that, you need the highest quality data possible.

# What to look for in your B2B data vendor

When shopping around for B2B data, here are some tips to bear in mind:



What are your goals? Be clear on the criteria for your data. If you want your leads to be in a particular industry, or in a specific location, make sure you tell your vendor.



**How and when was your data collected?** Self-reported data is more reliable. The more recently it was collected, the better.



**Can you test the data?** The best vendors offer you a chance to test the data for a short period. This is your opportunity to assess its reliability.

\$

What's the price? Data is an area where you get what you pay for. You will find vendors that are offering lists exceptionally cheaply, pennies per lead. This is not likely to be accurate data, meaning the money you save is worthless.

# How can you keep B2B data fresh?

Sourcing B2B data is one thing; making sure it stays accurate and fit for business purpose is another. How can you ensure the data in your organisation is as accurate as possible?

At Cognism, **Zachary White** is our authority on data enrichment. Every day, he helps our customers bring their B2B data up to date, with more complete information that helps them sell. We sat down with Zachary and he gave us some useful insights on keeping B2B data fresh.



# What is data enrichment and why do you need it?

"The data in your organisation is the fuel for your sales and marketing," Zach told us. "The better your data, the better your results will be."

"Technologies such as AI have led to great advances in B2B data and what you can do with it. The process of keeping your data fresh and accurate is called data enrichment. When you enrich your data, you not only ensure it is accurate and current, you can match it with information that helps you sell, such as when a company raises a new funding round."

"In simple terms, data enrichment is the process of making your data as good and as useful as it can be. Putting data enrichment at the heart of your B2B data strategy will deliver some strong benefits to your business – namely, making your company more efficient and saving you time and money."

## How to run a B2B data health check

The first step in successful data enrichment is to give your B2B data a health check. Zach gave us a summary of how to do this.

"Companies cannot function effectively with legacy data," Zach said. "Data deteriorates quickly. Out of date information can cause serious harm to your sales or marketing campaigns."

"The biggest clue that your data isn't right is a rise in the number of bounced emails when you run a campaign. That means the people you thought you were contacting are no longer at the same companies. New people are in their place, but they are not finding out about your product."

"If this is happening, you need to perform a data health check. Look at the data in your company CRM. How old is it? If poor, outdated information is affecting your outbound and marketing efforts, it's time to look at data enrichment."

Here are Zach's three top tips for data enrichment success:



#### 1. Plan ahead

"Before you start on data enrichment, formulate a strategy to get the most from the process," said Zach.

"You must know what you want to do with your data before you enrich it. Think about what you use data for in your organisation. Remember, the types of data you need for sales or marketing campaigns may differ."



#### 2. Segment your data

"Don't enrich all your large data-sets in one go," Zach advised. "Segment your data into smaller blocks which you can enrich one at a time over a more extended period."

"What's the reason for this? Data goes stale extremely quickly. For every 100 records you enrich, 10 of them will go back out of date by the following month."



#### 3. Keep up the good work

"Once you have enriched all the data you need, check it thoroughly. Go back over your data, looking for gaps. You may need to enrich it again."

"Because data deteriorates so quickly, data enrichment isn't a procedure you can do once and forget about it," Zach concluded. "It's more like an ongoing process. You have to keep enriching regularly to get the best results from your B2B data."

# Total Addressable Market: what you need to know

Every B2B startup that successfully scaled started off as the same thing: an idea. Before you turn your idea into a tangible product, it's important to know how many people might be interested in it. The best way of achieving this is to calculate your Total Addressable Market (TAM).

# Why is TAM important?

It all comes down to a basic business principle: know your customers! If you don't know your TAM, then you don't know how many potential customers are out there, and you don't know how fast your business may grow.

As well as giving you a top-down overview of your target market, TAM is also useful for segmenting your audience into different groups. It assists you in identifying which types of customers would be most receptive to your offering – meaning you can allocate resources accordingly. It gives you a good idea of where you can expect the best return on your investment.

Investors also look for well-thought-out TAM calculations. If you can prove that you have a good understanding of the market and your product's place in it, then investors will be much more likely to buy into your company.

# TAM explained: a brief definition

So what exactly is Total Addressable Market? Put simply, it's a calculation that represents the total revenue opportunity that's available to a product or service. It's normally measured in terms of revenue, but it can also be expressed as the total population of companies that could become your customers.

It's important to stress that a well-calculated TAM isn't an accurate measure of all your future customers or revenue; it must take into account your competitors, who will always grab a slice of the TAM pie. But it's a good starting point for learning how many people or companies could potentially purchase your product.

# How to calculate TAM

There are three ways to approach calculating TAM. They are:

#### 1. Top-down

#### 🛿 How it works

The top-down method involves taking the total number of people in a dataset and then applying demographic and geographic filters, narrowing the results down until you reach a market subset.

#### What are the advantages?

Top-down relies on gathering macroeconomic data from third-party organisations. This type of data pre-exists and can be easily sourced from a variety of global institutions.

#### What are the disadvantages?

Because the data comes from third parties, it may not be entirely accurate. The top-down method also doesn't account for disruptive products that alter or create brand new markets due to their popularity (e.g.: the Uber app dramatically increased the number of people making taxi rides per year).

#### 2. Bottom-up

#### 🕑 How it works

The bottom-up method is the reverse of top-down. You start with a smaller market subset and then extrapolate from that until you discover a total population of buyers. Unlike top-down, however, bottom-up TAM relies on your own primary research (e.g.: a survey conducted in a local market, or a pilot campaign in a small geographic area).

#### What are the advantages?

Bottom-up TAM is based on your own data generated in-house; therefore the end result is far more likely to be accurate and relevant to your business.

#### What are the disadvantages?

Due to the assumptions being made from a small subset of data, the ultimate TAM calculation derived from the bottom-up technique can be misleading. This is particularly pertinent if you're trying to make a global TAM calculation, where factors such as population density, economic prosperity and consumer habits can vary from country to country.

#### 3. Value-theory

#### 🛿 How it works

The value-theory approach begins by asking what a buyer would be willing to pay for a product or service, based on the value it delivers. You then multiply this by the total number of people or companies that perceive the same value and would be willing to adopt your solution in place of the competition.

#### 🕑 What are the advantages?

Value-theory is useful for companies that have developed a unique product which is creating new markets or reshaping current ones. It's a good method for companies that don't have any market data at their disposal or don't have the resources to conduct their own research (typically startups). It's also beneficial if you're testing new features or upgrades to existing products, and you want to know how many people would get value out of your latest idea, and how much they would be willing to pay for it.

#### What are the disadvantages?

Value-theory is largely based on conjecture and guesswork; its conclusions will never be 100% accurate, but by focusing on the value your product can deliver to consumers, you can estimate how to capture that value through pricing.

#### How we use TAM at Cognism

Cognism's growth strategy all started with TAM. By thoroughly investigating and defining our buying audience, we were able to develop innovative products that suited their needs and codify successful go-to-market strategies for sales and marketing. It's partly the reason why we've scaled so well over the last 2 years – growing our revenue by 600% in 2018 and going from \$2.5 million to \$7 million in ARR in 2019.

Would you like your business to grow in the same way? Our advice is - lock down your TAM first! But that's not the end of what TAM can do for you. In the next section, we'll explain what you can do with your TAM once you've identified it. Read on for more B2B data insights!



# How to build a B2B data list

**Kristapor Giragosian** is VP Americas at Cognism. Prior to his promotion overseeing Cognism's New York office, Kristapor was Cognism's VP of Customer Success, responsible for building and scaling a BESMA awardwinning CS team.

An outcome-driven leader, Kristapor is passionate about scaling SaaS with data and innovative technological solutions. We asked Kristapor for his guidance on how to build B2B data lists that are best-in-class. He was delighted to share his knowledge of leveraging the power of data to help your business grow.

Here are Kristapor's steps for building a killer B2B data list:



#### Step 1: Identify your TAM

Using the methods described in the previous section, work out your Total Addressable Market (the whole universe of buyers available for your product). For best results, I recommend using the bottom-up or value-theory approaches.



#### Step 2: Segment your TAM by your Unique Value Propositions (UVP)

This step requires you to split your TAM into smaller sections. At Cognism, we segment our TAM calculations by our Unique Value Propositions (UVP). These take the form of the different industry verticals we wish to target – for example, marketing, tech or recruitment.

The end result of this step is that instead of having one giant list, you'll have several smaller lists for each of your target industries.



#### Step 3: Segment the industry lists by company size

Now you'll have to get even more granular. Take your industry lists and split them into even smaller lists, based on company size. We follow this "company size guide" at Cognism:

At the end of this step, you will have many separate B2B data lists, split into industry and company size categories.

COMPANY DESCRIPTION	NUMBER OF EMPLOYEES
SMBs (small and medium-sized businesses)	1-49
Mid-market	50-999
Enterprise	1,000+



#### Step 4: Build out a list of buyers

The next step is to identify the total audience of buyers inside each company. However, don't just look for the C-suite! You need to find buying influencers as well as decision-makers.

Remember this useful fact: while 64% of the C-suite has final sign-off, **81% of employees outside of the C-suite influence purchasing decisions**.

A good place to start is to sort prospects into groups divided by job title. For instance, you should build out a list of buyers for each company, including the CEO, Directors, Heads and Managers.

In my experience, these are the number of people you need to locate per company size:

COMPANY DESCRIPTION	NUMBER OF EMPLOYEES
SMB	3
Mid-market	3–5
Enterprise	5–10



#### Step 5: Enrich your B2B data lists

Once you've locked down your B2B data lists, you need to go one step further. You need to ensure that the data you hold is 100% correct and up-to-date.

Technology will help you here. Platforms such as Cognism can automatically enrich your data, filling in any missing gaps and removing duplications. When you hand over your B2B data lists to your salespeople, you must be confident that the information at their fingertips is accurate and current.

See the section *How can you keep your B2B data fresh?* by my colleague Zachary White for more insights into data enrichment.



#### Step 6: Filter your lists using sales triggers

For best results when you outreach to your buyers, segment your lists even further using sales triggers.

A sales trigger is any event or occurrence which creates an opening for a sale. These are some of the most common sales triggers you'll encounter:

- · When a manager is promoted to Head of Department.
- · When an employee leaves one company and joins another.
- · When a business relocates to a new office in a new city.
- · When an organisation secures a funding round from investors.

Here's a practical example for you. You may have a list of Sales Directors and Team Leaders for your target accounts – but only sales triggers will highlight which of them were hired in the last 6 months and so may be looking to review suppliers, implement processes and bring in new tools.

By adding a chronographic element to your B2B data lists, you'll be able to pinpoint when a particular prospect on your list would be most likely to buy.

Again, technology can assist you here. Cognism's all-in-one globally compliant prospecting platform incorporates the following sales triggers:



#### Be B2B data smart

In my opinion, the last two steps are by far the most important. Building a list of B2B prospects isn't hugely difficult, but your list will be useless if it isn't accurate and timely.

You want your salespeople to have the best ammunition when they go into battle; an enriched B2B data list, filtered with sales triggers, is the best you can give them!

If you need more advice on B2B data, I'm happy to help! Connect with me on LinkedIn or contact Cognism today. I'm proud to work for an organisation that solves complex B2B data challenges for our 500+ customers every day!

# What are the compliance requirements for B2B data?

As we move into the next decade, countries around the world are following the lead of the EU and bringing in stricter data compliance laws, with harsh penalties for companies who fall foul of them. If you're working in B2B, it's essential that you know what you can and can't do with your data.

**Megan Bennett** is Cognism's Compliance Officer. This is her guide to all the latest trends in B2B data compliance.



## **Current data compliance laws**

#### The GDPR

The most well-known data compliance law, particularly in the UK, is the General Data Protection Regulation, or **GDPR**. It came into force in May 2018 across the whole of the EU and EEA.

#### What are the aims of the GDPR?

The GDPR's aim was to give citizens more control over their personal data, as well as set out ways that companies must process and protect the data they hold about their customers.

#### Opes the GDPR apply for B2B?

GDPR rules around processing personal data do apply for B2B companies. But they can still carry out marketing activities such as cold calls or emails, if they can prove 'legitimate interest'.

#### Output are the penalties for non-compliance?

Penalties for not adhering to the GDPR are severe, with the maximum fine being €20 million or 4% of annual worldwide turnover for the preceding year - whichever is greater.



#### CASL

The Canadian Anti-Spam Legislation, or **CASL**, came into force in 2014. CASL concerns email marketing and applies to all emails sent to Canadian residents as part of commercial activity.

### What are the aims of CASL?

CASL protects consumers and businesses from the misuse of digital technology, including spam and other electronic threats. It also aims to help businesses stay competitive in a global, digital marketplace.

#### Ooes CASL apply for B2B?

- The primary feature of CASL is that recipients must give companies consent before they can email them.
- Implied consent can be used to send unsolicited B2B emails if the person's email address is publicly available (e.g.: on company websites) and unaccompanied by a statement which confirms they do not wish to receive email marketing to their business email address.
- If the person's email address isn't publicly available, B2B companies must ensure they only contact customers or prospects who have consented.
- Another provision of CASL that a clear unsubscribe option is included in all marketing communications.

#### Output are the penalties for non-compliance?

The penalties under CASL can be severe. The maximum fines are \$1 million for individuals and \$10 million for corporations per violation.



#### CAN-SPAM

In the US, the CAN-SPAM act has been in force since 2003, governing commercial emails.

#### What are the aims of CAN-SPAM?

CAN-SPAM dictates that marketers cannot be dishonest when sending electronic messages. It also requires them to provide an unsubscribe function in their emails and act on it within ten days.

#### **2** Does CAN-SPAM apply for B2B?

There are no exceptions for B2B marketers under CAN-SPAM.

#### Output are the penalties for non-compliance?

CAN-SPAM is enforced primarily by the FTC (Federal Trade Commission). The FTC has the power to impose penalties of up to \$16,000 per email that violates CAN-SPAM.

## New and future data compliance laws

With the GDPR, the EU set a standard for data compliance which other states and countries now want to follow.

#### California

On 1st January 2020, the California Consumer Privacy Act, or **CCPA**, came into effect in the US state of California. It applies to any for-profit entity doing business in California, that meets one of the following:

- Has a gross revenue greater than \$25 million.
- Annually buys, receives, sells, or shares the personal information of more than 50,000 consumers, households, or devices for commercial purposes.
- Derives 50% or more of its annual revenues from selling consumers' personal information.

The law also applies to any entity that either:

- · Controls or is controlled by a covered business.
- Shares common branding with a covered business, such as a shared name, service mark, or trademark.

In addition, parts of the CCPA apply specifically to service providers and third parties.

### **1** What are the aims of the CCPA?

CCPA is similar to the GDPR in that it requires companies to identify all personal information they hold on their customers, as well as how they sourced that information. They must provide and publicise unsubscribe links on company communications, as well as delete personal data if the customer demands it.

#### Opes the CCPA apply for B2B?

B2B marketing activity is covered by the CCPA, although B2B companies do not have to comply with some parts of the act until 2021.

#### Output are the penalties for non-compliance?

The maximum penalty granted under the CCPA is \$7,500 per violation, if the violation is found to be intentional.

#### Maine and Texas

In the wake of the CCPA, other states are considering bringing in their own data privacy laws. In **Maine**, a new law regulates what broadband providers can do with their customers' data, including their browsing histories.

At the same time, in **Texas**, a new law requires companies to notify residents if they suffer a security breach which could lead to theft of personal information. A similar provision exists in the GDPR.

#### Brazil

In Brazil, the **LGPD** will come into force in August 2020. The new law regulates companies that hold data on citizens of Brazil, whether they have a physical presence there or not.

Like GDPR, the LGPD governs how companies can keep data on their customers. This law **does not apply to B2B activities**. However, it's a good illustration of how countries are tightening up their data privacy laws. The direction of travel is towards tighter regulations everywhere.

## Why are data compliance laws spreading around the world?

The introduction of the GDPR across Europe in 2018 showed the world that you can legislate to protect data privacy. It has normalised stringent privacy and data protection rules, while promoting best practices in marketing communications.

In addition, anything that reduces the number of irrelevant calls or emails received by consumers will be seen as a good thing. It's no surprise then that other countries and states have been inspired to tighten their regulations too.

California is leading the way in the US, although it currently looks like the rules will vary between individual states. This makes it very difficult for B2B companies to keep track of everything. They will need to employ increasingly complex compliance mechanisms to keep on top of new legislation. In practical terms, businesses will choose to align themselves with the most stringent laws, rather than adapt their policies to every state.

## What are the risks of non-compliance?

Rules around data protection vary from country to country and state to state. So too do the penalties and fines for breaking them.

It's vital for B2B companies to stay informed and updated about the regulations that apply to their industries and the territories they do business in. If you don't, you could face hefty penalties, as two companies in the UK are finding out to their cost.



#### Marriott International

The Information Commissioner's Office (ICO) signalled its intention to fine the hotels giant, Marriott International, **£99.2 million** for breaking GDPR rules around a data breach. Personal data relating to around 7 million UK citizens was compromised as part of the breach, which happened in 2014 but wasn't discovered until 2018.

While the breach happened to a different company, Starwood, Marriott acquired Starwood in 2016. The ICO found that Marriott did not do enough due diligence around their acquisition of Starwood and had not done enough to secure its systems.



#### **British Airways**

The ICO intends to fine British Airways an even larger amount: **£183.39 million**. This relates to a cybercrime incident in September 2018, where some visitors to the BA site were directed to a fraudulent mirror site, which was used by criminals to harvest personal details. The ICO found that BA did not do enough to safeguard its customers' data.

### Stay informed about B2B data compliance laws

Regulations around B2B data compliance are ever-changing. The best place to stay updated is the **Cognism blog**. Add us to your bookmarks or subscribe to our newsletter.

Also, don't forget to follow Cognism's social media channels. We will be sharing more data compliance updates throughout 2020 and beyond.



# Put B2B data at the heart of your business

Data must be at the heart of your B2B company. It informs every decision you take, from budgeting, investments, staffing and product. It is vital to B2B lead generation and growing your customer base.

If you haven't considered making B2B data central to your business processes, our guide is a great place to start. Follow the steps we've described and you'll soon see the difference data can make in driving leads for your business. Focus on data quality, build out your TAM, identify the buyers in your target companies and outreach to them in full compliance with B2B data regulations. Let data be the fuel for your growth.

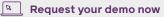
# **Contact Cognism today**

Cognism is the world's best all-in-one globally compliant prospecting solution. We provide high-quality B2B data, enriched by our patented AI technology, plus all the sales acceleration tools you need to action it.

Our platform is delivering impressive results for our 500+ customers worldwide, including:

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- A global B2B marketing agency improved their data quality and boosted attendance and engagement rates for their webinars.
- An **inside sales recruitment agency** increased their lead velocity by 327% and landed their largest-ever 6-figure contract.

Would you like to join our growing list of customer success stories? Then register for your free demo today!





**Cognism** is the world's leading all-in-one globally compliant prospecting solution.